

REMARKS

AMENDMENTS TO THE SPECIFICATION

Paragraphs [0013], [0026], [0045] and [0049] of the specification have been amended to correct some obvious typographical errors. As such, the instant amendments do not constitute new matter.

AMENDMENTS TO THE CLAIMS

Claims **1-20** have been canceled without prejudice.

New Claims **21-23** have been formed from as-filed Claims **15-17**. In more particular, new Claim **21** has been created by rewriting Claim **15** in independent form including all of the limitations of its base claim (Claim **14**) and any intervening claims. Additionally, it should be noted that step (f) of this claim has been amended slightly as compared with Claim **14** to clarify the language. As such, this claim does not constitute new matter.

New Claims **22** and **23**, which contain the text of objected-to Claims **16** and **17**, have been rewritten to depend from new Claim **21**. As such, these claims do not constitute new matter.

New independent Claim **24** recites the use of a digital photo device wherein is provided a plurality of templates and at least one template compatibility rule for use in determining which of the plurality of templates can be used together. This subject matter is discussed throughout the application (see, e.g., Figure **10**). As such, this claim does not constitute new matter.

New Claims **25** and **26** recite limitations similar to those recited previously in Claims **16** and **17**. As such, these claims do not constitute new matter.

New Claim **27** recites the limitation that the two or more compatible templates comprise a multi-layer template. This option is specifically discussed in paragraph [0017] of the instant specification and, as such, does not constitute new matter.

New Claims **28 – 30** correspond to originally filed claims **18 – 20** and, as such, do not constitute new matter.

New Claim **31** contains the limitation that at least a portion of the two or more templates be effect templates. This feature is discussed, among other places in paragraph [0024] of the instant application and, as such, does not constitute new matter.

New Claim **32**, which depends from Claim **31**, adds the limitation that the effect templates be selected from a group consisting of image content manipulation templates such as those found in paragraph [0042]. As such, this claim does not constitute new matter.

New Claim **33** has been modified from as-filed Claim **2** and, as such, this claim does not constitute new matter.

New Claim **34** further limits Claim **24** by requiring the determination of a template priority with respect to the selected templates. This concept is explained in paragraph [0049] of the instant application and, as such, this claim does not constitute new matter.

New Claim **35** limits Claim **24** by requiring that at least one of the compatibility rules comprise a collision detection algorithm. This feature is fully discussed, e.g., in paragraph [0050] of the instant application and, as such, does not constitute new matter.

New Claim 36 indicates that the digital photo device might be a digital camera or a cellular phone. Such variations are discussed in paragraph [0033] of the instant application, among other locations. As such, this claim does not constitute new matter.

New independent Claim 37 describes a method of using a digital photo device that includes selection of user selectable templates and determination of whether or not the templates are compatible using at least one template compatibility rule. This embodiment is discussed throughout the instant application and, as such, does not constitute new matter.

CLAIM OBJECTIONS AND REJECTIONS

Rejections Under 35 U.S.C. 103(a)

Claims **1-4, 6, 8, 9, 11, 13, 14, 19** and **20** stand as rejected under 35 U.S.C. 103 (a) as being unpatentable over Iijima et al. (US Patent # 6,621,524) in view of Parulski et al. (US Patent # 6,310,647)

In reply, applicants would note that Claims **1-4, 6, 8, 9, 11, 13, 14, 19** and **20** have been cancelled, *supra*, thereby making this rejection moot.

Claims **7** and **10** stand as rejected under 35 U.S.C. 103 (a) as being unpatentable over Iijima et al. (US Patent # 6,621,524), Parulski et al. (US Patent # 6,310,647) and further in view of Okuzama (US Patent # 4,011,571).

In reply, applicants would note that Claims **7** and **10** have been cancelled, *supra*, thereby making this rejection moot.

Claims **5, 12** and **18** stand as rejected under 35 U.S.C. 103 (a) as being unpatentable over Iijima et al. (US Patent # 6,621,524), Parulski et al. (US Patent # 6,310,647) and further in view of Parulski et al. (US PG-PUB # 20030025808).

In reply, applicants would note that Claims **5, 12** and **18** have been cancelled, *supra*, thereby making this rejection moot.

Claim Objections / Allowable Subject Matter

Claims 15 – 17 stand as objected to as being dependent upon a rejected base claims, but are said to be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

In reply, applicants offer new independent Claims 21-23, which are intended to be as-filed Claims 15 – 17 rewritten with Claim 15 as an independent claim as suggested by the Examiner.

Thus, it is believed that the instant objection has been made moot and that Claims 21-23 are in condition for allowance.

New Claims

New Claims 24 – 37 have been added to the instant application to make clearer the invention claimed by the applicants. The Examiner has indicated on Page 10 of the Office Action that the prior art fails to teach or suggest a real-time method of creating a composite digital image within a digital photo device wherein a plurality of templates and at least one compatibility rule are provided.

It should be noted that each of the new Claims 24-37 requires the use of a plurality of templates and at least one template compatibility rule within a digital photo device, wherein the template compatibility rule is used to determine whether or not the selected templates are compatible.

As such, since each of these claims contains aspects deemed by the Examiner to be absent in the prior art, it is believed that each of these claims should be allowed.

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In view of the foregoing, the applicants believe that the rejections and objections offered by the Examiner have been overcome and should be withdrawn. The claims as-filed and as-amended are in condition for allowance and should be passed to the issue branch. Early and favorable action is earnestly solicited.

Respectfully submitted,

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